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CIA DENIES REPORT OF GATES INVOLVEMENT IN IRAN MEMO

WASHINGTON (UPI) The CIA denied a published report Monday that said CIA Director-nominee Robert Gates agreed to send a memo to the White House in 1985 that favored arms dealings with Iran in order to win favor within the administration. < A

The New York Times reported that the memo was sent out under the signature of CIA Director William Casey, but sources told the newspaper that Gates had played a direct role in the decision to circulate the memo within the government. <

The story is false," said CIA spokesman George Lauder. < A

Lauder declined to discuss the report in detail, but he said Gates was out of town and the CIA planned to dispute the story in detail soon, probably on Tuesday. <

Lauder also said CIA officials were in the process of contacting members of the Senate Intelligence Committee to talk about the report. <

The panel held two days of confirmation hearings on Gates last week and planned to hold a closed session following the release Thursday of a presidential review board's report on the National Security Council and the role it played in the secret sale of U.S. arms to Iran. <

At his confirmation hearing, Gates said he believed the arms sales were a mistake and he regretted not trying to persuade President Reagan to rescind a Jan. 17, 1986, order approving the arms deal and circumventing congressional notification. <

The Times said the 1985 memo, written as a "think piece" by Graham Fuller, a senior CIA analyst, suggested that the United States should permit Western allies to sell arms to Iran as a means of enhancing Western influence and blocking the efforts of the Soviet Union. < A

It said the memo led to the first National Security Council planning for dealings with Iranian leaders, the Times said. <

The memo suggested the administration allow arms sales to Iran by U.S. allies as a means of winning Western leverage with leaders of the revolutionary regime of Ayatollah Ruhollah Khomeini and countering Soviet influence with Tehran. <

However, in recent years in response to repeated White House inquiry, the CIA reported its analysts had found no evidence the Soviet Union was gaining greater influence with Iran — as feared by the administration, one unidentified source told the Times. <

Thus, Fuller's arms sale memo was based on assumptions of Soviet influence that ran counter to conclusions of agency analysts who worked under Gates, then chairman of the CIA's National Intelligence Council. <

On learning of the memo, Secretary of State George Shultz rejected it as "perverse," and Defense Secretary Caspar Weinberger discounted it as "absurd," according to the Senate Intelligence Committee report on the Iran arms-Contra aid scandal. <

The Times said it was not known why Gates sent Fuller's memo, with its contrary assumptions, to the White House, although unidentified former senior intelligence officials said circulation of views at odds with agency consensus was not uncommon. <

The newspaper, according to one source, said Gates forwarded Fuller's memo to the White House in order to win political favor with senior officials. <

But CIA spokeswoman Kathy Pherson told the Times that notion was "absurd," and that such memos were clearly identified as the opinion of one person and not the conclusions of the CIA. < A

"It's our job to pass on different points of views to policy makers," she told the Times. "To say this memo was sent to curry favor is kind of a cheap shot." <